UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO.

as representative of

numbers due to software limitations).

THE COMMONWEALTH OF PUERTO RICO, et al..

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to the Commonwealth, HTA and ERS.

REPLY OF THE COMMONWEALTH OF PUERTO RICO, PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY, AND EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO TO RESPONSE FILED BY CLAIMANT HECTOR ENRIQUE GUADARRAMA [ECF NO. 10518] TO THE ONE HUNDRED FOURTH OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO DEFICIENT CLAIMS ASSERTING INTERESTS BASED ON UNSPECIFIED PUERTO RICO STATUTES

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico ("<u>Commonwealth</u>"), Puerto Rico Highways and Transportation Authority ("<u>HTA</u>"), and Employees Retirement System for the Government of the Commonwealth of Puerto Rico ("<u>ERS</u>", and together with the Commonwealth and HTA, the

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA", and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the "Debtors") (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case

"Debtors") by and through the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), as the sole Title III representative of the Debtors pursuant to Section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"),² files this reply (the "Reply") to the response [ECF No. 10518] (the "Rios Guadarrama Response") filed by Hector Enrique Rios Guadarrama ("Rios Guadarrama"), to the One Hundred Fourth Omnibus Objection of the Commonwealth of Puerto Rico, Puerto Rico Highways and Transportation Authority, and Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Deficient Claims Asserting Interests Based on Unspecified Puerto Rico Statutes [ECF No. 9554] (the "One Hundred Fourth Omnibus Objection"). In support of this Reply, the Debtors respectfully represent as follows:

- 1. On December 12, 2019, the Debtors filed the One Hundred Fourth Omnibus Objection, seeking to disallow certain proofs of claim that failed to comply with the applicable rules for filing a claim by not providing a basis for asserting a claim against the Commonwealth, HTA, ERS, or any other Title III Debtor (collectively, the "Deficient Claims"), each as listed on Exhibit A thereto. As set forth in the One Hundred Fourth Omnibus Objection and supporting exhibits thereto, each of the Deficient Claims purport to be based on obligations owed to the applicable claimant by the Commonwealth, HTA, or ERS, but failed to provide information identifying the source of the obligations or explaining why the Commonwealth, HTA, ERS, or any other Title III debtor are liable to the claimant.
- 2. Any party who disputed the One Hundred Fourth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on January 14, 2020 (the "January 14 Deadline"), in accordance with the Court-approved notice attached to the One Hundred Fourth

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the One Hundred Fourth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Order Further Amending Case Management Procedures* [ECF No. 8027-1]). See Certificate of Service [ECF No. 9621]. Pursuant to the Court's Order (A) Establishing Extended Deadline for Responses to Omnibus Objections Scheduled for Hearing at December 11, 2019 and January 29, 2020 Omnibus Hearings, (B) Continuing the Hearing as to Omnibus Objections Scheduled for Hearing at December 11, 2019 and January 29, 2020 Omnibus Hearings Until the April 22, 2020 Omnibus Hearing, (C) Approving Form of Notice and (D) Granting Related Relief [ECF No. 12325], that deadline was subsequently extended until March 27, 2020 at 4:00 p.m. (Atlantic Standard Time) (the "March 27 Deadline").

- 3. The Rios Guadarrama Response was filed with the Court on January 28, 2020, and docketed as ECF No. 10518 on January 29, 2020. The Rios Guadarrama Response does not dispute that Rios Guadarrama's proof of claim, which was filed against ERS on June 18, 2018, and logged by Prime Clerk as Proof of Claim No. 59260 (the "Rios Guadarrama Claim"), states as the basis for the claim "Asistencia de Retiro de Puerto Rico, Estado Libre Asociadido de P.R. Administración y Contra Adicción," but does not provide any information required to evaluate the Rios Guadarrama Claim.
- 4. Instead, the Rios Guadarrama Response states that Rios Guadarrama was not able to obtain any necessary documents in light of the January 2020 earthquakes and the subsequent closure of public offices. However, since the filing of the Rios Guadarrama Response, public offices in Puerto Rico reopened, but Rios Guadarrama has still not submitted any documentation in support of the Rios Guadarrama Claim. Specifically, in response to the earthquakes, government offices began reopening for business on January 9, 2020, several days in advance of

the January 14 Deadline, and two and a half months in advance of the March 27 Deadline. Moreover, Puerto Rico's government offices were not closed in response to the coronavirus pandemic until March 15, 2020, nearly two months after the initial January 14 Deadline. During the intermediate period, the offices of the government of Puerto Rico were open and serving the residents of Puerto Rico.

5. Accordingly, the Debtors respectfully request that the Court grant the One Hundred Fourth Omnibus Objection and disallow the Rios Guadarrama Claim in its entirety.

Dated: November 11, 2020 San Juan, Puerto Rico Respectfully submitted,

/s/ Hermann D. Bauer

Hermann D. Bauer USDC No. 215205

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181 Fax: (787) 753-8944

/s/ Martin J. Bienenstock

Martin J. Bienenstock (pro hac vice)

Brian S. Rosen (pro hac vice)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Attorneys for the Financial Oversight and Management Board for Puerto Rico, as representative for the Commonwealth of Puerto Rico, Puerto Rico Highways and Transportation Authority, and Employees Retirement System of the Government of the Commonwealth of Puerto Rico